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CENTRAL INTELLIGENCE AGENCY  
WASHINGTON, D.C. 20505

*Enc. sent to Bates 4/5  
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8 APR 1967

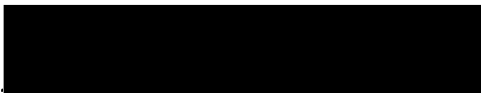
MEMORANDUM FOR: Mr. Bromley Smith  
White House Staff  
The White House

SUBJECT: Italy Looks Abroad for Gas

1. Italian production and consumption of natural gas are presently in balance. Demand will soon exceed domestic output, however, and in a decade or less, half of the natural gas used in Italy will have to come from abroad.

2. A 20-year contract has already been concluded with Esso International, which calls for annual deliveries of 2.4 billion cubic meters of Libyan gas, starting in 1968. Discussions concerning gas from Algeria and from the Netherlands have thus far been fruitless.

3. Since mid-1965, Italian and Soviet officials have been moving slowly toward a deal for the Italian import of Soviet natural gas but many unresolved technical and financial problems make the conclusion of such a deal uncertain.

  
WILLIAM N. MORELL, JR.  
Director  
Research and Reports

Attachment:  
CIA/RR IM 67-16 (Subject Report)

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